



COMPANY NO: 04929472

31 DECEMBER 2021

FOR THE YEAR ENDED

FINANCIAL STATEMENTS

**SRK EXPLORATION
SERVICES LIMITED**

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DIRECTORS:

W F A Kellaway
M G Armitage
T J Lucks
C Rawbone
M A Noppe

SECRETARY:

E M Hallett

REGISTERED OFFICE:

21 Gold Tops
NEWPORT
NP20 4PG

REGISTERED NUMBER:

04929472 (England and Wales)

AUDITORS:

Watts Gregory LLP
Chartered Accountants & Statutory Auditors
Eiffel House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

The directors present their report with the financial statements of the company for the year ended 31 December 2021.

PRINCIPAL ACTIVITY

The nature of the company's operations and principal activities are that of provision of geological exploration services to the mining industry.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

W F A Kellaway
M G Armitage

Other changes in directors holding office are as follows:

J A Gilbertson - resigned 22 July 2021
A J Barrett - resigned 22 July 2021
T J Luicks - appointed 22 July 2021
C Rawbone - appointed 22 July 2021
M A Noppe - appointed 22 July 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

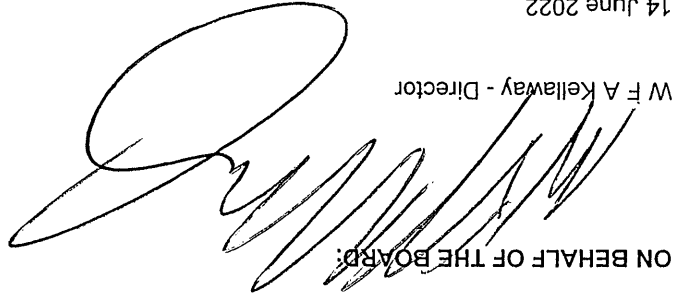
AUDITORS

The auditors, Watts Gregory LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

W F A Kellaway - Director



14 June 2022

Opinion

We have audited the financial statements of SRK Exploration Services Limited (the 'company') for the year ended 31 December 2021 which comprise the Profit and Loss Account, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern in exceptional or unforeseen circumstances.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of both the company and industry, we identified the principal risks of non-compliance with laws and regulations, including those related to UK tax legislation and considered the extent to which any non-compliance might have on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and ensured that all those involved in the audit undergo regular update training, including on how to identify or recognise fraud and non-compliance with laws and regulations.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inaccurate journals and management bias in accounting estimates. We addressed these risks by carrying out specifically targeted procedures, which included:

- discussions with management, including consideration of any known or suspected instances of non-compliance with laws and regulations and/or fraud;
- reading minutes of meetings of those charged with governance;
- considering the appropriateness of journal entries and other adjustments;
- challenging management in relation to significant accounting estimates;
- evaluating the reasons for any large or unusual transactions;
- reviewing disclosures in the financial statements to underlying supporting documentation

As outlined above, reasonable assurance is a high level of assurance, but is not a guarantee that a material misstatement may always be detected. The extent to which our procedures are capable of detecting material misstatements or irregularities, including fraud, is therefore subject to the inherent limitations of an audit. There is therefore, an unavoidable risk that a material misstatement may not come to light, in particular, where non-compliance with laws and regulations are remote from events and transactions reflected in the financial statements or where fraud or errors arise due to intentional misrepresentation, forgery, concealment, management override and/or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report
This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Watts Gregory LLP

Julia Mortimer (Senior Statutory Auditor)
for and on behalf of Watts Gregory LLP
Chartered Accountants & Statutory Auditors
Effed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

14 June 2022

	2021	2020
TURNOVER	4,437,548	3,601,295
Cost of sales	(2,826,135)	(2,330,690)
GROSS PROFIT	1,611,413	1,270,605
Administrative expenses	(1,364,845)	(1,105,434)
OPERATING PROFIT	246,568	165,171
Interest payable and similar expenses	(3)	-
PROFIT BEFORE TAXATION	246,565	165,171
Tax on profit	(68,566)	(74,818)
PROFIT FOR THE FINANCIAL YEAR	177,999	90,353

Notes

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	2021	2020
PROFIT FOR THE YEAR	177,999	90,353
OTHER COMPREHENSIVE INCOME	(192)	(4,704)
Foreign currency translation gain/(loss)	-	-
Income tax relating to other comprehensive income	-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	(192)	(4,704)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	177,807	85,649

Notes

The notes form part of these financial statements

	2021	2020
FIXED ASSETS		
Tangible assets	33,524	42,486
Investments	1,270	1,270
	<u>34,794</u>	<u>43,756</u>
CURRENT ASSETS		
Debtors	1,668,638	1,507,500
Cash at bank and in hand	474,826	649,565
	<u>2,143,464</u>	<u>2,157,065</u>
CREDITORS		
Amounts falling due within one year	(1,136,007)	(1,293,694)
	<u>1,007,457</u>	<u>863,371</u>
NET CURRENT ASSETS		
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>1,042,251</u>	<u>907,127</u>
CAPITAL AND RESERVES		
Called up share capital	20,900	20,900
Share premium	360,234	360,234
Retained earnings	661,117	525,993
	<u>1,042,251</u>	<u>907,127</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 14 June 2022 and were signed on its behalf by:


W F A Kellaway - Director

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 January 2020	20,900	440,344	360,234	821,478
Changes in equity	-	85,649	-	85,649
Total comprehensive income	-	85,649	-	85,649
Balance at 31 December 2020	20,900	525,993	360,234	907,127
Changes in equity	-	(42,683)	-	(42,683)
Dividends	-	(42,683)	-	(42,683)
Total comprehensive income	-	177,807	-	177,807
Balance at 31 December 2021	20,900	661,117	360,234	1,042,251

The notes form part of these financial statements

1. STATUTORY INFORMATION

SRK Exploration Services Limited is a private company, limited by shares, incorporated in Wales, in the United Kingdom. The company's registered number is 04929472 (England and Wales). The company's place of business is 12 St Andrew's Crescent, Cardiff, CF10 3DD. The registered office is 21 Gold Tops, Newport, NP20 4PG. The nature of the company's operations and principal activities are that of provision of geological exploration services to the mining industry.

The financial statements are presented in Sterling (£), the company's functional currency, and rounded to the nearest pound.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

There have been no material departures from Section 1A of Financial Reporting Standard 102.

Preparation of consolidated financial statements
The financial statements contain information about SRK Exploration Services Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 399(2A) of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

Turnover
Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

100% of the company's turnover relates to services provided in respect of overseas sites for the current period and previous year.

Tangible fixed assets

Fixed assets are recorded at cost.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is shorter.

Short leasehold	-	over the period of the lease
Fixtures and fittings	-	15% on cost
Computer equipment	-	33% on cost

All fixed assets are stated at cost less accumulated depreciation. Cost include costs directly attributable to making the asset capable of operating as intended.

Debtors and creditors receivable / payable within one year
Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at the transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

Investments in subsidiaries
Investments in subsidiary undertakings are recognised at cost.

2. ACCOUNTING POLICIES - continued**Taxation**

Current tax represents the amount expected to be paid or recovered in respect of taxable profits for the year and is calculated using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an un-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantially enacted at the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantially enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

Employee benefits

When employees have rendered service to the company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

The benefits of lease incentives are recognised in the profit and loss account over the lease period.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 29 (2020 - 27).

4. TAXATION

Analysis of the tax charge
The tax charge on the profit for the year was as follows:

	2021	2020
Current tax:		
UK corporation tax	53,700	5,217
Unrelieved foreign tax	21,000	39,948
Total current tax	74,700	45,165
Deferred tax	(6,134)	29,653
Tax on profit	68,566	74,818

Tax effects relating to effects of other comprehensive income

	2021	2020
Gross	£ (192)	£ (4,704)
Tax	£ -	£ -
Net	£ (192)	£ (4,704)
Foreign currency translation gain/(loss)		
Gross	£ (4,704)	£ (4,704)
Tax	£ -	£ -
Net	£ (4,704)	£ (4,704)
Foreign currency translation gain/(loss)		

5. TANGIBLE FIXED ASSETS

	At 1 January 2021	At 31 December 2021
COST		
At 1 January 2021	101,428	101,428
Additions	-	833
At 31 December 2021	101,428	53,495
DEPRECIATION		
At 1 January 2021	83,884	45,481
Charge for year	9,536	1,179
At 31 December 2021	93,420	46,660
NET BOOK VALUE		
At 31 December 2021	8,008	6,835
At 31 December 2020	17,544	7,181
	Leasehold	Fixtures, fittings and equipment
	Short	Computer equipment
	£	£
	Totals	£
	306,558	15,077
	152,468	14,244
	166,712	321,635
	264,072	24,039
	288,111	288,111
	33,524	42,486
	18,681	17,761
	17,544	7,181
	At 31 December 2020	At 31 December 2020

	At 1 January 2021 and 31 December 2021	At 31 December 2021	At 31 December 2020
6. FIXED ASSET INVESTMENTS			
Shares in group undertakings	£ 1,270	1,270	1,270
COST			
	At 1 January 2021	At 31 December 2021	At 31 December 2020
NET BOOK VALUE			
	1,270	1,270	1,270
	and 31 December 2021	At 31 December 2021	At 31 December 2020
7. DEBTORS			
Amounts falling due within one year:			
Trade debtors	1,109,943	856,392	
Other debtors	144,112	259,502	
VAT debtor	30,222	-	
Foreign tax debtor	22,449	-	
VAT	-	24,511	
Prepayments and accrued income	319,973	331,324	
	<u>1,626,699</u>	<u>1,471,729</u>	
Amounts falling due after more than one year:			
Deferred tax asset	41,939	35,771	
Aggregate amounts	<u>1,668,638</u>	<u>1,507,500</u>	
8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Trade creditors	381,876	347,085	
Corporation tax	53,700	-	
Foreign tax payable	21,000	8,178	
Social security and other taxes	100,136	171,656	
VAT	138,381	-	
Other creditors	74,306	327,211	
Accruals and deferred income	366,608	439,564	
	<u>1,136,007</u>	<u>1,293,694</u>	
9. LEASING AGREEMENTS			
Total financial commitments, guarantees and contingencies which are not included in the balance sheet amount to £250,750 (2020: £14,750) in respect of land and buildings.			
10. CALLED UP SHARE CAPITAL			
Allotted, issued and fully paid:			
Number:	20,900	20,900	20,900
Class:	Ordinary		
Nominal value: £1			
	<u>20,900</u>	<u>20,900</u>	<u>20,900</u>

The company made contributions of £101,639 (2020 - £70,327) to the pension plans of employees and directors during the period. At the year end £26,838 (2020 - £7,749) contributions were outstanding.

11. PENSION COMMITMENTS

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

SRK EXPLORATION SERVICES LIMITED

SRK EXPLORATION SERVICES LIMITED
TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
Turnover	4,437,548	3,601,295
Professional fees	1,223,627	1,052,980
Cost of sales	1,396,060	1,008,578
Wages	203,520	266,964
Sub consultants	2,928	2,168
Travel and accommodation	2,826,135	2,330,690
Direct project costs	1,611,413	1,270,605
GROSS PROFIT	2,826,135	2,330,690
Expenditure	101,850	100,326
Rent, rates and office costs	217,192	164,099
Directors' salaries	25,400	21,431
Directors' pension contributions	19,983	18,300
Wages	139,052	177,687
Pensions	81,656	52,027
Computer expenses	9,016	10,121
Telephone	14,136	24,757
Post and stationery	1,153	2,113
Advertising	3,026	23,941
Licences and insurance	135,301	98,924
Repairs and renewals	15,708	15,633
Training and conferences	1,078	5,286
Healthcare costs	38,564	45,701
Sundry expenses	66,180	116,887
Licences	91,796	29,056
Inoculations and visas	16,607	8,009
Group fees	61,923	44,501
Legal and professional fees	156,850	51,349
Auditors' remuneration	16,975	13,502
Foreign exchange (gains)/losses	26,096	28,738
Depreciation of tangible fixed assets	9,536	10,654
Short leasehold	1,179	7,351
Plant and machinery	13,324	11,316
Profit/loss on sale of tangible fixed assets	4,997	5,593
Entertainment	87,966	11,334
Bad debts	1,356,044	1,098,636
Finance costs	255,369	171,969
Bank charges and interest	8,801	6,798
Bank interest	3	-
NET PROFIT	246,565	165,171

This page does not form part of the statutory financial statements